



FHA's Office of Single Family Housing Training Module

Office of Lender Activities and Program Compliance

FHA's Lender Electronic Assessment Portal (LEAP) Post-Approval Activities

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The information in this document is current as of the Last Update date noted above. This document does not establish or modify the policy contained in FHA's Handbooks and Mortgagee Letters in any way.





Agenda

- Post Approval Activities
 - Administrative Contact
 - Overview
 - Information Updates
 - Notices of Material Events
 - Change Requests
- Annual Recertification
 - Overview
 - Certification Details
 - Unable to Certify



Post Approval Activities



Administrative Contact

FHA-approved lenders must maintain updated information for a primary Administrative Contact in LEAP.

- Serves as the point of contact for:
 - Post-endorsement technical reviews (PETRs) resulting in e-findings letters
 - Notice of deficiencies
 - Lender and Loan Monitoring Findings Letters
 - Mortgagee Review Board NOVs
 - Annual recertification updates
 - General inquiries and routine monitoring

Reference: LEAP User Manual, Section 5.1



Administrative Contact (cont.)

- Contact information must include:
 - Full name
 - Telephone number
 - Email address
 - Business street address – post office boxes are not acceptable.
- Lenders should add the @hud.gov domain to their servers to ensure timely delivery of emails from HUD.

Reference: LEAP User Manual, Section 5.1



Post Approval Activities Overview

FHA-approved lenders have an ongoing requirement to notify FHA of any changes to the information provided at the time of application for FHA approval, as well as changes that might impact eligibility to participate in FHA programs.

- Any change that affects a lender's approval status or conduct of business with HUD, even if not specifically described in SF Handbook 4000.1, must be reported to FHA with a detailed explanation and supporting documentation.
- All notifications must be submitted using LEAP within 10 business days of the change unless otherwise specified in FHA's policy guidance.

Reference: HUD Handbook; 4000.1 Section 1.A.7





Post Approval Activities Overview (cont.)

There are 3 types of notifications that lenders may be required to submit:

- Information Updates
- Change Requests
- Notices of Material Events

Reference: HUD Handbook; 4000.1 Section 1.A.7



Information Updates

An Information Update is any change to a lender's basic institution or branch information in the FHA systems that can be directly managed by the lender.

Information Updates include, but are not limited to:

- Addresses for correspondence
- Administrative contact information
- Other points of contact
- Existing branch office information
- Principal/Authorized agent relationships
- Cash flow accounts



Change Requests

A Change Request is the method of submitting information and/or business changes to FHA that requires FHA review and approval before acceptance.

- Requests should only be submitted when the lender is unable to make the change directly.
- Ad hoc requests should only be submitted to update or delete corporate personnel, or when the lender receives specific direction from FHA.



Change Requests (cont.)

The following request types can be submitted in LEAP:

- Add Insurance Authority (Title I or Title II)
- Credit Watch Reinstatement
- Extension Request (Recertification)
- Lender Org Changes



Change Requests (cont.)

Lender Org Changes include the following sub-types:

- Ad hoc
- **Add Branch**
- Add Branch DBA
- Add Institution DBA
- Branch Address State Change
- Change Branch Insurance Type
- Convert Mortgagee Type
- Fiscal Year-End Change
- Institution Address State Change
- Invalid Branch Address Change
- Invalid Institution Address Change
- **Name Change**
- **New Corporate Officer**
- **Merger or Acquisition**
- **Voluntary Withdrawal**



Adding Branches

The Add Branch Change Request should be submitted in LEAP via the Requests drop-down on the Menu Bar. Payment will be required to add a Branch.

- All required steps to add a branch are displayed on the screen.
- The submit button will remain inactive until all tabs are complete.

The screenshot displays the LEAP (Lender Electronic Assessment Portal) interface. At the top, the header includes the LEAP logo, the text 'Lender Electronic Assessment Portal', and navigation links: Home, Contact Us, Help, and Logout. It also shows the user is logged in as 'LENDER IDMT00644 (MT0644)' and identifies the user as 'U.S. Department of Housing and Urban Development'. Below the header, the institution name '12489-Sample Institution 2' is shown. The main section is titled 'Add Branch' and features a series of tabs: Profile, Doing Business As Names, Addresses, Personnel, Review & Certification Statement, and Payment. The 'Profile' tab is currently active. On the right side of the 'Add Branch' section, there are 'CANCEL' and 'SUBMIT' buttons. Below the tabs, the form contains several fields: 'Branch Type' (dropdown), 'Insurance Type' (dropdown), 'Functions Authorized to Perform' (dropdown), 'Phone Number' (text input), 'Email Address' (text input), 'Fax Number' (text input), and 'NMLS ID' (text input). A 'NEXT' button is located at the bottom right of the form, next to the text '1 of 6'.

Reference: LEAP User Manual, Section 5.1, Section 6





Adding Branches – Most Common Errors

If you receive this error...	Issue	Action
Invalidated geographic address	Address could not be validated by USPS	Correct address and re-submit request
Rejected payment	Invalid account information	Correct account information and resubmit. If funds have already been debited, contact FHA's Resource Center
Branch Manager associated with another FHA institution	Branch Manager's association with another institution will need to be removed	Contact FHA Resource Center

Reference: LEAP User Manual; Section 5.1

FHA Resource Center: 1-800-Call-FHA (225-5342); or answers@hud.gov





Corporate Officers

- Existing Corporate Officers are listed in the Institution's profile on the Corporate Personnel panel.
- FHA-approved lenders must maintain current and accurate corporate officer information at all times.

The screenshot displays the LEAP (Lender Electronic Assessment Portal) interface. At the top, the header includes the LEAP logo, the text "Lender Electronic Assessment Portal", and navigation links: Home, Contact Us, Help, and Logout. A login status message reads "Logged in as: LENDER IDMT00644 (MT0644)". Below the header is a navigation bar with links: Home, Institution, Branches, Recertification, History, Requests, and Cash Flow Account Setup. The main content area shows the "12489-Sample Institution 2" profile. Under the "Institution Profile" section, there are expandable panels for "Profile Details", "Address And Contact Information", "Corporate Personnel", and "Doing Business As Names". The "Corporate Personnel" panel is expanded, showing a table of corporate officers. A red arrow points to the "Corporate Personnel" panel header. Below the header, there is a link to "Click Here to submit a request to add a new Corporate Personnel." and a table with the following data:

Full Name	Title
Test Institution	Vice President
Test Test	Chief Operating Officer
Test Test	Vice President



Adding or Updating Corporate Officers

New Corporate Officers can be added by submitting a “New Corporate Officer” Change Request in LEAP.

- The following information will be needed for each individual added:
 - Full name
 - Title
 - Social security number
 - Current resume
 - Current tri-merged residential mortgage credit report
- At this time, changes to existing Corporate Officers (updating or deleting) must be submitted using an Ad Hoc Change Request in LEAP.



Change of Institution Legal Name

When an Institution has legally changed its business name and the Tax Identification Number (TIN) did not change nor did any other organizational or corporate change occur (i.e. merger, acquisition, etc.), the lender must submit a “Name Change” Change Request in LEAP and include the following information:

- Acceptable documentation showing the name change, such as:
 - The amendment to its articles of incorporation
 - Resolution by the mortgagee's Board of Directors
 - Charter amendment for a supervised Institution
- When required by the State, evidence that the name change has been accepted by the State in which the home office is located.





Mergers – Initial Notification to FHA

Early Notification is Key

The FHA-approved surviving institution must submit the merger request through LEAP at least 45 days prior to the merger effective date.

- The initial notification must include:
 - A description of the proposed transaction
 - Names and FHA IDs of parties involved in the merger
 - Description of how the non-surviving entity will dispose of its FHA portfolio and origination pipeline, if applicable
 - Anticipated effective date of the merger

Reference: LEAP User Manual; Section 11





Mergers – What Happens Next?

Transfer of Branches

The 45-day period provides FHA with sufficient time to review and process the request, and minimize impact on the lender's operations.

- FHA will review the initial notification, and request any additional information
- FHA will send the surviving institution a request via LEAP to identify the non-surviving institution branches that will be transferred to the surviving institution after the merger.
 - The surviving institution must select the desired branches and pay the branch fees through LEAP.
 - Once the branches are selected and the fees are remitted, the request will automatically return to FHA.
 - The selected branches will become active after the merger is processed in FHA systems.





Mergers – What Happens Next? (cont.)

Clearing Outstanding Portfolio and Origination Pipeline

- Before the effective date of the merger, the non-surviving FHA-approved lender must:
 - Transfer all FHA-insured loans held and/or serviced to another FHA-approved lender
 - Transfer any loans not approved by a DE Underwriter prior to the merger effective date to an FHA-approved lender with the required authorizations (i.e. Unconditional DE)
- Only loans with approval dates documented in FHA systems may be closed in the non-surviving entity's name. The approval date must precede the effective date of the merger.





Mergers – What Happens Next? (cont.)

Final Steps

- After the effective date of the merger, the surviving entity must provide FHA:
 - Executed regulatory documents approving the merger
 - Certificate of Merger
- Upon review of the merger documents, FHA will process the merger in LEAP.
- Once the merger is processed:
 - The non-surviving entity's FHA lender approval will be terminated.
 - Any branches not transferred to the surviving entity will be terminated.



Voluntary Withdrawal of FHA Approval

- A lender that does not wish to retain, or that is ineligible to retain, its FHA approval must submit a request for voluntary withdrawal. The request must include a letter signed by a Corporate Officer.
- Failure to complete the annual recertification process does not constitute a voluntary termination. Lenders who fail to complete the annual recertification process may be subject to administrative sanctions.
- The lender will be notified via email once the request is approved or denied.
 - FHA will not honor a lender's request while there is a pending administrative action, or while the lender has unpaid indemnification claims or unsatisfied settlement agreement obligations owed to HUD.

Reference: LEAP User Manual; Section 12





Notices of Material Events

A Notice of Material Event is the method of submitting a required notice to FHA of a change to the information provided by the lender at application as evidence of approval eligibility, or a change that affects the lender's FHA-approval status.

- Lenders are strongly encouraged to notify FHA as soon as the event occurs to prevent delays during annual recertification. Material events include, but are not limited to:
 - Bankruptcy
 - Business Form Change
 - Cease Operations
 - Change in Partnership
 - Change of Fidelity Bond or E&O Insurance
 - Lending License(s) Surrender
 - Liquid Assets Deficiency
 - Operating Loss
 - Principal Activity Change
 - Change of Principal Owners
 - Supervision Change
 - Unresolved Findings/Sanctions

Reference: Handbook 4000.1 Section 1.A.7.a





Notices of Material Events

All Notices of Material Events are submitted using LEAP.

- When submitting a Notice of Material Event:
 - Include a brief description of event in the space provided. The description is limited to 250 characters. Additional information can be uploaded in an attachment.
 - Attach and upload all supporting documentation. Each attachment is limited to a file size of 5MB.
- What happens next:
 - FHA will review the notice and determine if the events reported affect the lender's FHA-approval and/or its ability to provide the annual certification.
 - FHA will communicate its determination to the lender via email.

Reference: LEAP User Manual; Section 5.6





Change in Control of Ownership

A Change in control of ownership will be submitted via LEAP as a "Principal Owner" Notice of Material Event.

- Notify FHA whenever an individual or entity that previously owned less than 25 percent of a lender's voting stock acquires additional voting stock resulting in ownership of 25 percent or more.
- The following information must be submitted with the notifications:
 - For individuals – a resume and current tri-merged credit report or residential mortgage credit report.
 - For business entities – a commercial or Dun & Bradstreet credit report.

Reference: Handbook 4000.1 Section 1.A.3.iv





Annual Recertification



Annual Recertification Overview

FHA requires all approved lenders to complete and submit their Annual Recertification in accordance with HUD Policy. LEAP will send an email notification to the Institution's Administrative Contact and guide the user through the process.

- The following are possible Recertification process steps a user may need to complete:
 - Lender Data Verification
 - Certification (or Unable to Certify)
 - Audit Related Questions
 - Financial Data Entry
 - Payment
 - Submit to IPA for review
 - Independent Public Accountant's Agreed Upon Procedures

Reference: LEAP User Manual; Section 7





Annual Recertification Overview

Annual Recertification Steps in LEAP

The screenshot displays the LEAP (Lender Electronic Assessment Portal) interface. At the top, the LEAP logo is on the left, and the U.S. Department of Housing and Urban Development logo is on the right. Below the logo, a navigation bar contains links: Home, Institution, Branches, Recertification, History, Requests, and Cash Flow Account Setup. The main content area shows the institution name "12489-Sample Institution 2-Supervised Large" and the recertification status "Recertification Status : Not Started". Below this, a list of steps is shown, each with a "START" button. The steps are: Lender Data Verification, Certification, Audit Related Questions, Financial Data Entry, Payment, Independent Public Accountant's Agreed Upon Procedures (with a "VIEW" button), and Submit to IPA for Review (with a "SUBMIT" button).

Step	Action
Lender Data Verification	START
Certification	START
Audit Related Questions	START
Financial Data Entry	START
Payment	START
Independent Public Accountant's Agreed Upon Procedures	VIEW
Submit to IPA for Review	SUBMIT



Certification


- FHA-approved lenders are required to certify annually to their eligibility to participate in FHA programs.
- The annual certification must be submitted by a corporate officer who has been designated by the lender as a Certifying Official.
- If a lender is not able to truthfully certify to any of the statements set forth in the Certification due to events **not previously reported** to FHA, the lender will be required to notify FHA and provide an acceptable explanation and supporting documentation.




Certification (cont.)

- The Certifying Official must provide an answer to **each** statement in the Certification.
- If the Certifying Official is unable to certify to any of the statements, the following must be submitted:
 - A detailed explanation of the reasons(s) and/or events
 - Pertinent supporting documentation.
- A separate explanation and documentation must be submitted for each uncertified statement.

Certification (cont.)


LEAP
Lender Electronic Assessment Portal



U.S. Department of Housing and Urban Development

12489-Sample Institution 2

Certification

CANCEL

v1.1

In order to certify, a Certifying Official must check the box for each statement and complete the identifying information below. If you are unable to certify to any of the statements, leave those specific box(es) unchecked and click "Unable to Certify." You will be prompted to provide an explanation and attachments.

- ☐ 1. I certify that I am a Corporate Officer of the above-mentioned Mortgagee (hereinafter referred to as "the Mortgagee"); that I am duly authorized to execute this certification on behalf of the Mortgagee; and that throughout the Certification Period I have known, or been in the position to know, whether the operations of the Mortgagee conformed to all applicable HUD-FHA regulations, handbooks, Mortgagee Letters, Title I Letters, and policies.
- ☐ 2. I certify that the Mortgagee is fully responsible for all actions of its principals, owners, officers, directors, managers, supervisors, loan processors, loan underwriters, loan originators, and for the actions of its employees and contractors conducting FHA business for the Mortgagee (hereinafter referred to as "Participants").
- ☐ 3. I certify that during the Certification Period, the Mortgagee did not employ or retain any Participant who was subject to a current suspension, debarment, limited denial of participation or other restriction imposed under part 25 of title 24 of the Code of Federal Regulations, part 160 as implemented by part 2424, or any successor regulations to such parts, or under similar provisions of any other Federal agency.
- ☐ 4. I certify that during the Certification Period, the Mortgagee did not employ or retain any Participant who was under indictment for, or had been convicted of, an offense that reflects adversely upon the Mortgagee's integrity, competence or fitness to meet the responsibilities of an FHA-approved Mortgagee; who had pled guilty or nolo contendere to a felony related to participation in the real estate or mortgage loan industry during the 7-year period preceding the first day of the Certification Period; and/or who had ever had pled guilty or nolo contendere to a felony related to participation in the real estate or mortgage loan industry that involved an act of fraud, dishonesty, a breach of trust, or money laundering.
- ☐ 5. I certify that during the Certification Period, the Mortgagee was not sanctioned by any federal, state, or local government agency or by any other regulatory or oversight entity with jurisdiction over the Mortgagee, except for those sanctions, if any, the Mortgagee timely reported to HUD during the Certification Period and for which the Mortgagee received explicit clearance from HUD to continue with the certification process.
- ☐ 6. I certify that during the Certification Period, the Mortgagee was not subject to any unresolved findings, except for those unresolved findings, if any, the Mortgagee timely reported to HUD during the Certification Period and for which the Mortgagee received explicit clearance from HUD to continue with the certification process.
- ☐ 7. I certify that during the Certification Period, no Participants were subject to any sanctions or unresolved findings, except for those sanctions or unresolved findings, if any, that the Mortgagee timely reported to HUD during the Certification Period and for which the Mortgagee received explicit clearance from HUD to continue with the certification process.
- ☐ 8. I certify that during the Certification Period, the Mortgagee was not refused any license necessary to conduct its normal operations in the real estate or mortgage loan industry. I further certify that throughout the Certification Period, the Mortgagee maintained compliance with all applicable provisions of the S.A.F.E. Mortgage Licensing Act of 2008 or its equivalent under state law, including all Nationwide Mortgage Licensing System and Registry requirements.
- ☐ 9. I certify that to the best of my knowledge, and after having conducted a reasonable investigation, that the Mortgagee does now, and did at all times throughout the Certification Period, comply with all HUD-FHA regulations and requirements applicable to the Mortgagee's continued approval and operations, including those contained in HUD handbooks, Mortgagee Letters, Title I Letters, policies, and any agreements entered into between the Mortgagee and HUD.
- ☐ 10. Each of my certifications is true and accurate to the best of my knowledge and belief. I understand that if I knowingly have made any false, fictitious, or fraudulent statement(s), representation(s), or certification(s) on this form, I may be subject to administrative, civil and/or criminal penalties, including debarment, fines, and imprisonment under applicable federal law.

I CERTIFY

UNABLE TO CERTIFY



Unable To Certify

Home | Contact Us | Help | Logout
Logged in as: LENDER IDMT00644 (MT0644)

LEAP - Recertification - Unable to Certify Explanations

CANCEL **SUBMIT**

! The following statement(s) were not selected as certified. Please provide an explanation for each and upload all relevant attachments. If multiple items are listed, please indicate which attachments apply to each statement.

5. I certify that during the Certification Period, the Mortgagee was not sanctioned by any federal, state, or local government agency or by any other regulatory or oversight entity with jurisdiction over the Mortgagee, except for those sanctions, if any, the Mortgagee timely reported to HUD during the Certification Period and for which the Mortgagee received explicit clearance from HUD to continue with the certification process.

* Explanation:

Maximum number of characters: 255

6. I certify that during the Certification Period, the Mortgagee was not subject to any unresolved findings, except for those unresolved findings, if any, the Mortgagee timely reported to HUD during the Certification Period and for which the Mortgagee received explicit clearance from HUD to continue with the certification process.

* Explanation:

Maximum number of characters: 255

10. Each of my certifications is true and accurate to the best of my knowledge and belief. I understand that if I knowingly have made any false, fictitious, or fraudulent statement(s), representation(s), or certification(s) on this form, I may be subject to administrative, civil and/or criminal penalties, including debarment, fines, and imprisonment under applicable federal law.

* Explanation:

Maximum number of characters: 255

6. I certify that during the Certification Period, the Mortgagee was not subject to any unresolved findings, except for those unresolved findings, if any, the Mortgagee timely reported to HUD during the Certification Period and for which the Mortgagee received explicit clearance from HUD to continue with the certification process.



Unable To Certify (cont.)

- FHA will review the submission with supporting explanation and documentation in order to determine if the lender may be allowed to proceed with recertification.
- Upon acceptance, FHA will “re-open” the certification to allow the lender to proceed.
- Events previously reported to FHA do not need to be reported again during the annual recertification.



Certification & Unable To Certify

What you should know....

- Events previously reported and reviewed by FHA do not have to be reported again when completing the annual certification unless the status is updated or there is a change to what was previously reported.
- Annual certification is available to lenders the first week after their fiscal year end. Lenders are strongly encouraged to complete the annual certifications and submit Unable to Certify information as early as possible to prevent delays in processing. More than 2,300 FHA-approved lenders have a December fiscal year end.
- Extension to the recertification deadline will not be granted due to an Unable to Certify submission.





Helpful Links

- LEAP User Manual
http://portal.hud.gov/hudportal/documents/huddoc?id=SFH_LEAP_user_manual.pdf
- HUD's Lender Web Page <http://www.hud.gov/groups/lenders.cfm>
- Handbook 4000.1
<http://portal.hud.gov/hudportal/documents/huddoc?id=40001HSGH.pdf>



Contact the FHA Resource Center: 1-800-Call-FHA (225-5342); or answers@hud.gov.